GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:1887
ANSWERED ON:13.03.2007
COTTON PURCHASED BY COTTON CORPORATION OF INDIA
Thummar Shri Virjibhai

Will the Minister of TEXTILES be pleased to state:

(a) the total amount spent on Cotton Corporation of India during each of the last three years;

(b) the total value of the cotton purchased from farmers during each of the last three years, State and Union Territory wise;

(c) whether Cotton Corporation of India has failed to achieve its objective;

(d) if so, the reaction of the Government thereto; and

(e) the corrective steps taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN)

(a) to (c): As and when kapas prices touches the Minimum Support Price (MSP) level, the CCI is mandated to procure cotton offer at MSP declared by the Government of India in all cotton growing States. There is no quantitative restriction regarding MSP procurement by the Cotton Corporation of India Ltd. (CCI). MSP procurement is the result of many market forces over which neither the government nor the CCI have adequate control. As the CCI is able to procure adequate quantity of cotton under MSP, it has achieved its stated objectives. The loss occurred and reimbursed during 2001-02, 2004-05 and 2005-06 to the CCI on MSP operations are as under:

Year	MSPpurchases (in lakh bales)	Value losses (in Rs. Crores)	reimbursed to CCI (in Rs. crore)
2001-02	9.00	818.53	96.13
2004-05	26.49	2558.42	166.99
2005-06	13.28	1273.70	219.39
2006-07	11.71	1191.00	125.00

(d) & (e): Does not arise. The Government's and CCI's measures have ensured remunerative prices to the cotton growers.